

to its PCA deferral balance is far below its cost of borrowing; the large size of the Company's PCA deferral balance; and the use of a multi-year process to fully recover the balance.¹

YOU ARE FURTHER NOTIFIED that the Commission has historically used the customer deposit rate as the interest rate for utility PCA deferral balances. *See* Utility Customer Relations Rule 106, IDAPA 31.21.01.01.106. For the calendar year 2003 the Commission set the customer deposit rate at 2%. *Id.* at Rule 106.02.

YOU ARE FURTHER NOTIFIED that Avista requests that the Commission grant it an exception to application of the customer deposit rate and set the interest rate at 4% for its PCA deferral balance until that balance is fully recovered sometime in 2005. Avista requests that this interest rate be made effective back to January 1, 2003.

YOU ARE FURTHER NOTIFIED that after the balance is recovered, Avista requests that the interest rate applicable to any PCA deferral balance revert back to the customer deposit rate as set annually by the Commission.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter and Avista Utilities, an electric utility, pursuant to the authority and power granted under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED **that** persons desiring to intervene **in this proceeding** must file a Petition to Intervene **with the Commission pursuant to the Commission's Rules of Procedure 72 and 73**, IDAPA 31.01.01.072 and -.073 on or before **July 1, 2003**.

YOU ARE FURTHER NOTIFIED that once the Commission has received the requests for party status, the Commission Secretary will issue a Notice of Parties. Parties filing comments in this matter will be required to serve those parties listed in the Commission's Notice of Parties. Comments submitted in this matter shall be served by overnight delivery, U.S. Mail,

¹ The Company states that as of December 31, 2002 its PCA deferral balance was \$30,926,000. Through the multi-year recovery process the Company projects this balance will shrink to \$23,633,000 by December 2003, \$10,868,000 by December 2004 and \$0 sometime in 2005.

or electronic mail. Parties submitting comments may serve other parties via electronic mail. Parties using e-mail to serve other parties may do so by attaching their comments to an e-mail and forwarding to the party's representative(s).

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest regarding the above Application may not require a hearing to consider the issues presented, and that issues raised by the filings in these cases may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

NOTICE OF COMMENT DEADLINES

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure is on or before **July 22, 2003**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that the **deadline for Avista to file written reply comments** with the Commission is **July 29, 2003**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the issues on their merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning this Application must be mailed to the Idaho Public Utilities Commission and the Avista Corporation at the following addresses:

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:

472 W WASHINGTON ST
BOISE, ID 83702-5983

DAVID J. MEYER
SENIOR VICE PRESIDENT AND
GENERAL COUNSEL
AVISTA CORPORATION
1411 E. MISSION AVENUE
SPOKANE, WA 99220
E-mail: David.Meyer@avistacorp.com

KELLY O. NORWOOD
VICE PRESIDENT, RATES AND REGULATION
AVISTA CORPORATION
1411 E. MISSION AVENUE
SPOKANE, WA. 99220
E-mail: Kelly.Norwood@avistacorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. AVU-E-03-4 together with accompanying exhibits and workpapers can be reviewed at the Commission's office and at the principal office of Avista Corporation during regular business hours. Avista is located at 1411 E. Mission Avenue in Spokane, Washington (509)-489-0500. The Application is also available on the Commission's Website at www.puc.state.id.us under the "File Room" icon.

ORDER

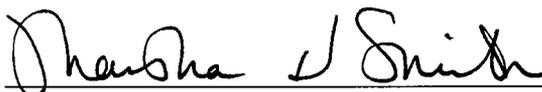
IT IS HEREBY ORDERED that the foregoing schedule be adopted.

NOTICE OF APPLICATION
NOTICE OF INTERVENTION DEADLINE
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT DEADLINES
ORDER NO. 29264

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th
day of June 2003.



PAUL KJELLANDER, PRESIDENT

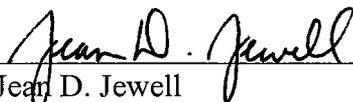


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:AVUE0304_jh

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